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## BIRMINGHAM HOUSING 2025 PREFERRED OPTIONS

Report to CPRE West Midlands Region

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### **1. Introduction**

I was asked by WM CPRE to review the Housing Need and Supply evidence for the Birmingham Plan Review, and also comment on implications for other plans, under Duty to Co-operate.

My conclusion is that there is now a considerable surplus of housing supply in Birmingham to meet its own needs. This is considerably greater than their acknowledged surplus of 13,301 dwellings.

Despite the complexities of the transitional period between the implementation of the 2023 and 2024 National Planning Policy Frameworks (NPPF), it is important this is understood and influences plan making to avoid unnecessary loss of countryside, particularly Green Belt in neighbouring authorities.

### **2. Need**

The Birmingham Plan is at Regulation 18 Stage so the current need is based on the December 2024 National Planning Policy Framework NPPF and the latest Standard Methodology (SM).

The figure for 2025 (0.8% of stock), using the latest affordability calculation (up to 2024) is for 4,513 dwellings per annum (dpa) of which 856 dpa is for the affordability uplift. This amounts to 85,747 from 2025-2044.

Unlike most authorities who have seen a dramatic increase in their housing need under the new SM, this figure would be 6,894 dpa if the old SM calculation was in place (slightly lower than at the time of the previous preferred option), some but not all the addition coming from the 35% 'Urban uplift' which is no longer part of planning policy under the 2024 NPPF.

This may not be the same when the Regulation 19 Plan is put forward as the calculation is inherently unstable and there is an implicit exponential increase as stock is added year on year.

Between 2024 and 2025, for example, the SM calculation rose by 65 dpa or 1,235 dwellings over the Plan Period.

It appears that the Need figure, while technically only a minimum requirement is being adopted by the council as its full requirement (Para 17.6).

### **3. Plan Period**

The Plan runs to 2044. Section 19 of the Plan suggests a timescale for submission in 2026. If the Plan were adopted in 2027 the minimum timeframe would be to 2042 which would reduce the need to 76,721.

### **4. Supply**

#### **a. Overall**

According to the Plan the supply amounts to 57,049 on allocated sites, 31,024 on existing sites and a windfall allowance of 10,975 dwellings, totalling 99,048 dwellings, which amounts to a surplus of 13,301 dwellings, (or 22,327 up to 2042).

This is said to be based on the latest HELAA (October 2025).

In fact, the 2025 HELAA (published with the plan) actually gives a total 2025 supply figure of 103,693, including a lapse rate of 12% where appropriate (or 2,110 dwellings).

This total is an increase above the plan figure of 4,645, (and, also, excludes any oversupply in the preceding years considered in the HELAA.)

The Plan discounts 3,000 dwellings in the Ladywood Regeneration Area as being beyond the Plan Period and 290 are also not included at Pool Farm which may partially explain the discrepancy with the HELAA but since there are no more detailed tables in the HELAA document itself I have not been able to confirm the reason for this discrepancy.

b. Allocations

The allocations are set out in Section 16 and are summarised below.

Growth Zones	38091
Centres for Change	916
Major Development Areas	5500
Housing Regeneration Areas	9276
Mixed Use	942
Major Residential	2324
Total	57049

More detail is given on the Growth Zones in Section 11. The Table below sets out the allocation figures for Growth Zones along with the number of additional residential opportunities identified in the Plan.

The Plan does not include an assessment of the potential for each of those 'opportunities. Nor does it consider whether their potential is consistent with the projections for windfalls in the Plan.

If all 72 were developed, and they were the only windfalls, the average yield would have to be 149 dwellings each. Given that some are likely to be large windfalls this alone suggests significant capacity on these opportunity sites which may increase the potential for windfall delivery.

Growth Zone	Name	Allocated Housing	Residential Opportunities
GZ1	Central Heart	2120	2
GZ2	Western Gateway	593	4
GZ3	NEC hells	3451	3
GZ4	Curzon Gateway	4040	5
GZ5	Northern Gateway	1110	10
GZ6	Central Cultural Quarter	5372	12
GZ7	Newtown	1084	3
GZ8	Hagley Road	2612	1-5
GZ9	Rea Valley	2670	5
GZ10	Digbeth	9599	6

GZ11	Bordesley Park	1180	1?
GZ12	Hockley etc...	897	6
GZ13	Villa Park	247	2
GZ14	Perry Barr	997	7
GZ15	Great Icknield	2119	6
GZ1-GZ15	Total	38,091	72-77

Regeneration Zones are considered in Section 12. I note, as said above, that the capacity at Pool Farm includes an additional 290 dwellings. It is unclear why those were not included in the Plan figure. A further 3,000 in Ladywood are not included, as it is assumed they will go beyond the Plan Period.

Regeneration Zone	Total	Plan Period (Net)
Ladywood	10,000	7,000
Druids Hearth		1,832
Pool Farm	400?	110
Medway		190
Illeybrook		35
Bromford		109
St Georges New-town	Included in GZ7	
Total		9,086 (9276)

More detail is also given on Town Centre sites on Section 14, as summarised below.

Town Centres	Plan Period
Sutton Cold-field	821
Erdington	45
Northfield	50
Baldmere	0
<i>Total</i>	<i>916</i>

### c. Grey Belt Areas

A further potential source of supply is Green Belt. Some 10,415 homes are identified as being on sites put forward in the Green Belt. Most are rejected.

However, two potential Green Belt locations considered as potential Grey Belt sites in the Plan. One is North East of Birmingham, (between Sutton Coldfield and the M6 Toll), the other around Frankley.

While the first allocation is not related to development beyond the Birmingham boundary, the latter (1,000 homes) would be adjacent to the proposed allocation of

3,000 homes in the 2025 Regulation 18 Bromsgrove District Plan, and close to the Frankley Reservoir.

I have reported to CPRE Worcestershire on the severe impact of that adjacent site which would infill all the countryside from the Frankley Reservoirs to Frankley Beeches.

The impact of the Birmingham area would depend on whether the draft Bromsgrove District Local Plan site was allocated. Even if it were, the Birmingham allocation would still impact on the amenity, heritage and biodiversity of the area around the Reservoirs.

The Birmingham Plan says that both grey belt areas together would provide 5,600 homes.

The NPPF, Para 148, states: *Where it is necessary to release Green Belt land for development, plans should give priority to previously developed land, then consider grey belt which is not previously developed, and then other Green Belt locations.*

In this case there is clearly no necessity to release Green Belt even on the authority's own evidence, so that paragraph would suggest the sites should not be considered, and certainly not prior to the position of the Bromsgrove District site at Frankley being clarified.

d. Density

There is a detailed density report from 2022 which looked at dwellings built between 2017 and 2020 and categorises them as City Centre/In-around urban centres and elsewhere. I cannot find any more up-to-date evidence.

The average for city centres was 358 dwellings per hectare, although this was heavily dependent on size, and sites of 200+ dwellings average 1,268 dph (HELAA Table: p50). The average for in-around urban centres was 91 dph and elsewhere 42 dph.

The HELAA says that these densities have informed the density assumptions used for assessment purposes. They are set out in Table 2 of the HELAA. It can be seen that the figure for sites in suburban areas is slightly lower than the evidence and in and around urban centres is considerably lower, on average 20 dwellings per hectare. This will tend to underestimate capacity in and around urban centres by around 24%. For the identified 'town centre' sites alone, this would add 219 dwellings to the figure of 916.

**Table 2: Density assumptions**

Area	Sample Size	Average Net Density (dwellings per hectare)
City Centre	69 sites	400
In and around Urban Centres	55 sites	70
Suburban	215 sites	40

However, a more important discrepancy is likely to occur in city centre locations on larger sites, where the assumption of 400 dph is a third of the experienced densities.

This could be particularly significant in areas high density areas such as GZ1 (Central Heart). The dwellings in that area are given in the Plan as 2,120.

Taking GZ1-01 as an example the capacity is given as 390 dwellings. The area of development is approximately 11,320 sq. m or 1.132 hectares. Based on the HELAA average for sites over 200 dwellings, that would average 1,435 dwellings.

The total, just for GZ1, excluding opportunity sites, would rise by over 4,000 based on the higher averages. Of course, they may not be achieved, especially in a mixed-use development. However, this suggests there may be some significant additional dwellings from City Centre sites.

If one considers the opportunity sites, CH-02 and CH-01 they comprise approximately 2 hectares, excluding the area currently undeveloped in CH01. That could account for 2,500 dwellings at the higher density, nearly a quarter of the assumed windfalls for the plan period.

I have used those as examples and it may be that there are local planning reasons which mean that the densities will not be maximised. However, there are a number of areas across the city centre where higher densities could be achieved in larger developments (particularly perhaps GZ2, GZ4 , GZ5, GZ6).

This suggests that, even if the higher City Centre figures were not achieved in full, significant additional capacity may be present in the city centre as well as some additional capacity (to a lesser degree) in and around town centres.

e. Windfalls

In terms of windfalls, the assumed rate is set out in the 2025 HELAA for smaller and larger sites:

**Table 9: Smaller Sites (<0.06ha) Windfall Allowance**

Time Period	Annual Contribution (Dwellings)	Period Contribution (Dwellings)
Short Term – Within 5 years	50*	200*
Medium Term – Years 6 to 10	75	375
Longer Term – Beyond 10 years	100	900**

\*Assumes no windfalls in year 1

\*\*Covers the final 9 years of the forthcoming Birmingham Local Plan period (2034-2044)

**Table 10: Larger Sites (>=0.06ha) Windfall Allowance**

Time Period	Annual Contribution (Dwellings)	Period Contribution (Dwellings)
Short Term – Within 5 years	400*	1,600*
Medium Term – Years 6 to 10	500	2,500
Longer Term – Beyond 10 years	600	5,400**

\*Assumes no windfalls in year 1

\*\*Covers the final 9 years of the forthcoming Birmingham Local Plan period (2034-2044)

This gives a total of 10,975, which is an average projected number of windfall homes - of 610 dpa.

The evidence in Appendix 5 of the HELAA indicates that the average annual completions for Birmingham since 2001 has been 1478 dpa and there are only 2 years when windfall completions dipped below 800 dpa. They have not dipped below 1000 dpa since 2016/17. 7,487 were completed in the last 5 years (2020 to 2025), including the two-year 2020-22 pandemic period. This equates to an average of 1,497 dpa.

The average completions are also particularly impacted by the period from 2009-2015 when they were mostly under 1,000 dpa. The commentary (HELAA, Appendix 5 Para 6.3) suggests this was related to 'the worsening economic position and the difficulties this brought for the house building industry'.

That may be true but it is evident from Table A5.2 of the appendix that this was mainly a reduction in apartments rather than house building, where it is hard to discern a trend. There is a second minor dip in apartments in the two years from 2022-23. If one looks at Table A5.6 it is evident that this is also most obvious in the City Centre.

It has been suggested in the past that prior to the 2008 credit crunch there was significant investment in apartments in Birmingham, sometimes not actually inhabited. This would have meant apartments coming onto the market which would have suppressed the market for new apartments.

Such a cyclical market reaction is not surprising, but even if it were repeated one would expect it to even out (as it did in the overall 2001-2025 timeframe).

This would suggest that the windfall assumptions are unrealistically low, especially given the already identified opportunity sites. It could be argued that any increased densities in the City Centre (as discussed above) might dampen the market for some of these (for the reasons given above), but either way there would still be significant additional capacity.

If the Plan projects a windfall rate of 1200 dpa instead of the currently-projected figure of 610 dpa, still lower than the actual average rate since 2021, this would amount to 21,600 dwellings over 18 years, adding 10,625 homes to the supply and giving Birmingham more ability to meet identified needs elsewhere.

This is not a new issue. In 2014 the SHLAA on which the previous Birmingham Plan was developed projected a figure of 7,635 dwellings from windfalls (and 800 from empty homes). Over 20 years that amounted to 382 dpa.

CPRE West Midlands objected to that windfall figure. Our submission (Matter A, Para 29) to the 2014 Examination into the Birmingham Plan said:

*West Midlands CPRE suggested in its original representations on the Plan that a higher rate of about 1,000 dwellings per annum would be consistent with the requirement of Para 48 of the NPPF, still well below the average of 1,500. This would increase the overall windfall figure to 20,000 homes.*

The Plan was adopted in 2017 and in the eight years since then there have been 13,844 windfall completions (6,209 more than the SHLAA figure for the full 20-year plan), or 1730 dpa, which is considerably higher even than the windfall figure we suggested.

Even assuming this previous under-calculation of windfalls has not led to an existing over-supply, it is clear that, while the latest windfall assumptions are higher than those for the existing Birmingham Plan, they are still very unrealistic when compared to both the historic evidence and the qualitative evidence on supply.

Adding 10,625 from a more realistic windfall figure, without any additional capacity from higher densities, increases the existing surplus from 13,301 to 23,926 for a Plan ending in 2044 without allocating any new Green Belt sites in the city.

In addition, there may also be additional capacity from reviewing some of the larger City Centre and Town Centre allocations which can individually play a major part in overall housing delivery.

This should now be undertaken by the Council as part of its preparation for the formal Regulation 19 stage.

f. Empty Homes

A further issue is additional houses resulting from bringing empty homes back into use. The previous (June 2024) Birmingham Plan Preferred Option identified this as a source of housing supply, stating:

*The Council's current Empty Property Strategy which covers the period 2019-2024 sets an ambitious target of bringing 350 properties per year back into use. Since April 2019 to February 2024, 1,460 empty properties have been brought back in to use through the implementation of the strategy. While returning empty homes to use is not going to contribute significantly to the housing supply, we cannot ignore their potential and the need to ensure that owners are both encouraged and, where appropriate, required to unlock the potential of this wasted resource.*

*The Council will continue to update its Empty Property Strategy every 5 years and ensure that the targets remain ambitious, strengthening the Empty Property Team to deliver on the targets. (2024 Preferred Options Page 28)*

This does not appear to play the same role in the current plan. This may reflect the confidence Birmingham now has in meeting its own need or it may be because of the National Planning Practice Guidance (PPG) paragraph 'How should authorities count bringing empty homes back into use?' This states:

*To be included as a contribution to completions it would be for the authority to ensure that empty homes had not already been counted as part of the existing stock of dwellings to avoid double counting.*

*Paragraph: 021 Reference ID: 68-030-20190722 Revision date: 22 07 2019*

However, in practical terms, this is an important source of supply, especially in such a large authority, (6,300 dwellings over 18 years if the ambition were achieved). Further work should be carried out to examine how much of that would amount to double-counting and how much could address housing need in Birmingham and the wider conurbation.

## 5. Implications for other authorities and Duty to Co-operate

The most up to date agreed document on housing need and shortfalls for the Greater Birmingham and Black Country Housing Market Area is the Statement of Common Ground position statement of 29 November 2024<sup>1</sup>.

This was entirely based on the 2023 NPPF Standard Methodology because, although the draft 2024 NPPF was published the final version had not been issued and could not be used then for plan making.

The authorities including Dudley, Sandwell and Wolverhampton, which are now at Regulation 19 stage will still be examined using the 2023 SM but under the 2024 NPPF transitional arrangements may need to start an immediate review following adoption. Walsall and Solihull, which have yet to publish their Regulation 18 Draft Plans, will have to use the 2024 Methodology (the NSM), as Birmingham is now doing.

The table below sets out the shortfalls identified in the Statement. It is based on the declared position of the authorities. In previous work for WM CPRE, for example on Wolverhampton, I have suggested the supply side was under-estimated, but for the purposes of this report I have not re-examined that.

Authority	Plan Stage (used in SoCG)	Relevant NPPF	Shortfall (in SoCG)
Birmingham	Regulation 18	NPPF2023	46,000
Dudley	Regulation 19	NPPF2023	699
Sandwell	Regulation 19	NPPF2023	15,916
Solihull	Regulation 18	NPPF2024 (Expected early 2026)	Unknown
Walsall	Reg 18 Black Country Plan	NPPF2023	3,414
Wolverhampton	Regulation 19	NPPF2023	10,398

The shortfall without Birmingham is therefore given as 30,427 for the Black Country.

If one simply took the Birmingham surplus, now acknowledged, the accepted figure for the overall unmet need would reduce by 13,301 to 17,126, or if the surplus is the higher figure of 23,926 suggested above, it would reduce to 6,501.

However, it is not that simple.

<sup>1</sup> Greater Birmingham Black Country Housing Market Area (GBBCHMA) HMA, Officer Agreed Version, Statement of Common Ground Regarding Housing Shortfall, Position at 29 November 2024: [Appendix 2 - 2025.01 Officer agreed GBBCHMA SoCG.pdf](#) (Taken from Stratford-on-Avon District Council website)

Overall, both the Black Country authorities and Solihull see significant housing need increases under the 2024NPPF. Dudley in particular will need to meet an increase of 130% in its need calculation.

But that is counteracted because both Coventry and Birmingham's need reduces considerably. Overall the increase across the GBBCHMA is marginal at 1.46%.

However, the Coventry Plan is already submitted for Examination so, unless it is withdrawn it will be considered under the 2023NPPF, and the reduction in its housing need will not be reflected in the Plan.

The 2024 SM reduction in Coventry for 2025 would be 1,719 dpa (although the plan figure may be slightly different.) Even if that is only applied to the years 2025-2041 it would reduce Coventry's need by a massive 27,504.

A further issue is the high level of housing in Telford & Wrekin, whose Regulation 19 Local Plan has a 20-year housing target of 20,200 against a 2023 SM housing need of only 8,680 (434 dpa) and a 2024 NSM housing need of 17,620 (881 dpa).

In other words, even under the New Methodology the Telford & Wrekin requirement is 2,580 above the need, and that will almost certainly come from out-migration from the Black Country, but will not be counted against the Black Country shortfall. CPRE Shropshire has specifically raised this in its response at the Regulation 19 Consultation stage and will also raise it in the Examination into that Plan.

At the same time, the Regulation 18 Local Plan for Walsall has also been under consultation since 7 November 2025. While they say they will meet their increased need for housing this would be at the expense of large areas of Green Belt.

It is obvious that the question of unmet need will be complicated for some time as the transitional arrangement play out, but there is a real risk of double counting.

However, the dramatic change in the position resulting from Birmingham's new lower housing requirement, as well as the implication of a more realistic supply calculation for the City, needs to be factored in to plan making, whichever NPPF the Plan is reviewed under, to avoid unnecessary loss of countryside, and particularly Green Belt.

The introduction of the 2024 NPPF will certainly have implications, not only for the immediate plan development, but also for surrounding areas, whose housing numbers generally increase.

This obvious puts into question the large-scale release of Green Belt in Solihull and Walsall, as well as controversial sites in authorities such as Bromsgrove (where there is a proposal for a massive release of Green Belt next to Birmingham in Frankley) and South Staffordshire.

Not only does Birmingham need to update its housing supply figures to inform Plan making elsewhere, in my view, but other authorities need to urgently engage with Birmingham and other authorities, such as Telford and Wrekin, so that the now out-of-date 2024 Statement of Common Ground can be updated and relevant to the new situation.

## **6. Conclusions**

In conclusion, the changes to the 2024 SM are highly significant in Birmingham and represent a significant redistribution of housing need.

This means that Birmingham is in a position to comfortably meet its own need without the use of Green Belt (including grey belt).

However, this needs to be seen in the context of neighbouring authorities where the increased housing means significant areas of countryside (including Green Belt are a risk.)

Birmingham's own calculations show a surplus of 13,301 dwellings which could help accommodate shortfalls in neighbouring authorities.

However, there are three significant areas of additional supply.

1. the density achieved in and around town centres and particularly in the larger City Centre locations is higher than accounted for, and further work should be done to review the capacity from those sites.
2. The assumptions about windfalls are unrealistically conservative and do not reflect past experience or the level of opportunity in the city. As set out above, this alone could increase the surplus to 23,926.
3. A further source of additional housing could come from getting empty homes back in use. The council's ambition is for 350 a year, or 6,300 over the plan period and, while some of these may be double counting, there is clearly some additional capacity.

Additionally if the Plan Period ended in 2042, it would reduce the need by a further 9,026, offset by 2,400 extra windfalls (using our calculation), adding 6,626 dwellings to the surplus.

A review of the supply in Birmingham, (as well as the increased supply in Coventry and the implicit over-supply in Telford), should now be undertaken as a matter of urgency, to inform an up-dated Greater Birmingham and Black Country Housing Market Area Statement of Common Ground, and to inform discussions about the extent to which the overall shortfall can be reduced and housing need met in more sustainable locations within the conurbation.